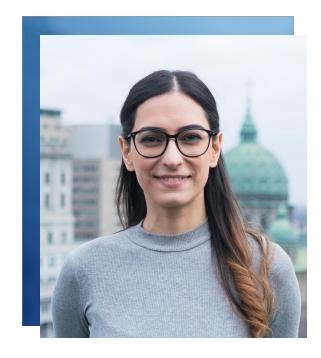


## **Speakers**



Mike Lee
Managing Partner
R&D Partners

President Fundica



Sahar Ansary
Partner
R&D Partners



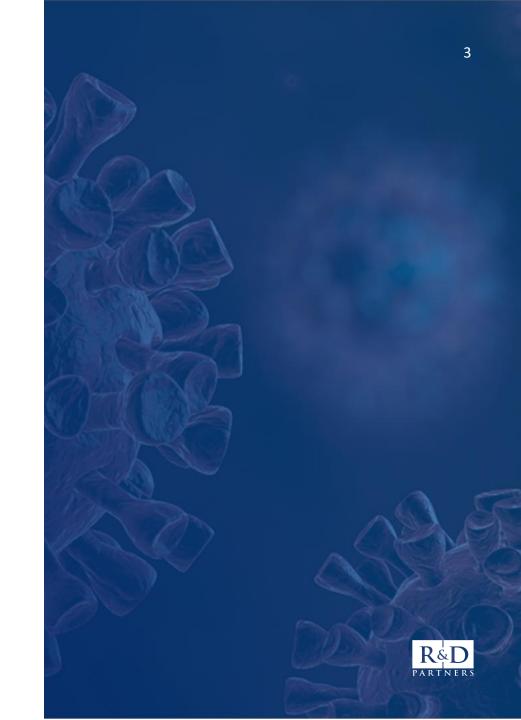
Gabrielle Plourde
Corporate Tax & Funding Analyst
R&D Partners



## Agenda

- Introduction
- Federal Programs
   Grants
   Loans
- Provincial Programs

   Quebec
   Ontario
   British Columbia
- Q&A
- Closing Remarks





### Work-Sharing Program (Service Canada)

- Predates COVID-19
- Year-round, full-time/part-time, El-eligible employees form a work-sharing unit
- Work-sharing unit: An agreement between eligible employees to reduce normal working hours by the same percentage and to share available work
- Compensated for unworked hours by El



### Work-Sharing Program (Service Canada)

#### (Continued)

- Employers must submit application 10 calendar days before requested start date of work-sharing agreement
- Program Changes
  - Extension of the maximum period from 38 weeks to 76 weeks
  - Reduction of the required company operating time from two years to one
  - Reduction of revenue requirements
  - Simplification of the application process
- Excellent program when work-sharing makes sense



## 75% Emergency Wage Subsidy (CRA)

- Available for 12 weeks, starting March 15th, 2020
- Eligible parties include incorporated, sole proprietor, or partnership businesses, and charities and not-for-profit organizations
- To be eligible, employers must:
  - Demonstrate a 15% drop in qualifying revenue during period 1 (March 15th to April 11th)
  - Demonstrate a 30% drop in qualifying revenue during period 2 (April 12th to May 9th) and period 3 (May 10th to June 6th)



### 75% Emergency Wage Subsidy (CRA)

#### (Continued)

- Subsidy amounts
  - 75% of remuneration paid to eligible employees, up to \$847 per week per employee
  - 100% refund on certain employer portions of EI, CPP, and other deductions for employees who are paid but not working
- No cap on the number of employees that can be covered
- Important to examine all revenue test combinations



## 10% Temporary Wage Subsidy (CRA)

- A three month measure that will allow eligible employers to reduce the amount of payroll remittances to the CRA
- The subsidy is equal to the lesser of:
  - 10% of remuneration paid during the March 18th, 2020 to June 19th, 2020 period
  - \$1,375 for each eligible employee
  - \$25,000 total/employer
  - No need to apply, as it can be done through payroll



# Innovation Solutions Challenges for COVID-19 (Innovation, Science, and Economic Development Canada)

- Various challenges to respond to the COVID-19 pandemic, mostly related to R&D and testing prototypes that can help protect Canadians
- The challenges come up fast. None are currently open, but it is likely that new ones will be released over the next few weeks



### Innovation Assistance Program (NRC IRAP)

- On April 17th, the Prime Minister of Canada announced that \$250M in additional funding would be added to the NRC-IRAP program
- Funds are meant to support early-stage, high growth potential startups not addressed by other programs
- Most valuable for cash-strapped, growing companies
- Program will open April 22nd, 2020, so apply ASAP on website



#### Mitacs Accelerate

- Adjustments made to existing program
- Boosting their funding to 75% of a project's cost
- Post-secondary students can now support development activities
- New, flexible model allows for remote work
- Program is open



# Call for Suppliers (Public Works and Government Services Canada)

- The Government of Canada is calling for equipment and services to combat COVID-19
- Not funding, but a good business opportunity if you are a manufacturer or distributor
- Great program if it applies



## **SR&ED During COVID-19**

- CRA is going through tremendous changes:
  - Looking to hire over 2,000 temporary individuals
  - Has reallocated staff to deal with the new programs
  - Revamping procedures to deal with new environment
- CRA SRED is adapting to the new reality:
  - Not beginning new in-person audits
  - First-time claim advisory service visits are being skipped or postponed
  - Credits are being processed ASAP on a case-by-case basis
- Likely claims will be prioritized, less in-depth reviews, new working approaches





### Canada Emergency Business Account (CRA)

- Interest-free loans of up to \$40,000 to help cover operating costs during a period of temporary revenue reduction due to COVID-19
- For small businesses and not-for-profits
- Original criteria lowered:
  - To qualify, businesses now need to demonstrate they paid between \$20,000 and \$1.5M in total payroll in 2019
- Repaying the balance of the loan before December 31st, 2022 will result in a loan forgiveness of 25% (up to \$10,000)



#### **EDC Loan Guarantee for SMEs**

- EDC will provide funding to financial institutions so that they can issue new operating credit and cashflow term loans of up to \$6.25M to existing clients
- 80% guaranteed by EDC, to be repaid within one year
- The loans can be used for operational expenses only
- Operational expenses: Day-to-day costs that are necessary to keep a business running



### **BDC Co-Lending Program for SMEs**

- Term loans for the operational and liquidity needs of businesses
  - Could include interest payments on existing debt
- Divided into three segments based on business revenue:
  - 1. Up to \$312,500 for businesses with revenues of less than \$1M
  - 2. Up to \$3.125M for businesses with revenues between \$1M and \$50M
  - 3. Up to \$6.25M for businesses with revenues in excess of \$50M



# Canada Emergency Commercial Rent Assistance Program (Government of Canada)

- Intended to support small businesses "most impacted by the pandemic"
- Loan amounts and conditions not disclosed yet
- Loans, including forgivable loans, will be provided to commercial building owners so they can cancel or lower their small commercial tenant's rent for the months of April, May, and June 2020



#### Farm Credit Canada (FCC) Loan

 FCC has put in place an additional 24-month credit line of up to \$500,000 for agribusinesses



## **BDC Capital Bridge Financing Program**

 BDC will match, with a convertible note, a current financing round

#### The company must:

- Be Canadian
- Be backed by a qualified venture firm
- Have raised at least \$500,000 in external capital before applying for the program
- Be directly impacted by COVID-19



#### **Announcements**

- Indigenous Business Support
  - \$306-million is being invested to allow indigenous businesses to access short-term interest free loans and non-repayable contributions
- Regional Development Agencies (RDA) Funding
  - If you are a tourism operator or SME impacted by COVID-19, the RDAs could assist you with access to federal funding
- Energy Programs
  - \$2 billion is being invested to support Canadians working in the energy sector





# Concerted Temporary Action Program for Businesses (Investissement Québec)

- A loan or loan guarantee of a minimum of \$50,000
- Companies from all industries are eligible
- Must show that liquidity shortages are temporary and stem from:
  - A problem involving the supply of raw materials or products; or
  - An inability, or a substantially decreased ability, to deliver goods, products, or services



#### **Emergency Assistance for SMEs**

(The Government of Quebec)

- Same requirements as the Concerted Temporary Action Plan for Businesses, but for businesses that require less than \$50,000 in cash
- Must have been in business in Quebec for at least a year
- Funding will vary according to the company's needs
- \$40M is being set aside for Montreal businesses



### **CDPQ Support for Quebec Businesses**

- \$4B to support companies temporarily impacted by COVID-19
- Minimum loan of \$5M
- For companies of all sizes and in all industries across Quebec
- Companies must be profitable before the start of the COVID-19 crisis and have a promising growth outlook



# Concerted Actions Program for the Maintenance of Employment (Government of Quebec)

- Financial support to train employees and adapt HR operations to the current crisis
- Two streams
  - Business stream is most applicable here
- Eligible activities include:
  - Basic employment training
  - Digital skills training
  - Training linked to pivoting in the context of the pandemic



# Concerted Actions Program for the Maintenance of Employment (Government of Quebec)

#### (Continued)

- Eligible activities include (continued):
  - HRM consulting mandates
  - And more
- Financial aid:
  - If your training project costs \$100,000 or less, max 100% of expenses
  - If your training project costs between \$100,000 and \$500,000, max 50% of expenses



# Concerted Actions Program for the Maintenance of Employment (Government of Quebec)

#### (Continued)

- Eligible expenses include:
  - Salaries of employees in training, up to \$25/hour
  - Professional fees of consultants or trainers, up to \$150/hour
  - The cost of developing and adapting training content
  - And more
- Projects will be accepted until September 30th, 2020, or until the budget runs out





## Regional Opportunities Investment Tax Credit

- A 10% refundable corporate income tax credit for eligible corporations making qualified investments in capital property that becomes available for use on or after March 25th, 2020
- Eligible corporations include:
  - CCPCs that construct, renovate, or acquire commercial and industrial Class 1 and Class 6 buildings for CCA purposes
- Qualified investments are those with a cost between \$50,000 and \$500,000 in capital property



## **City of Toronto Contigency Fund**

Details pending

#### **Ontario Call for Innovative Solutions**

 Not exactly funding, but a good opportunity if you are an innovator or manufacturer



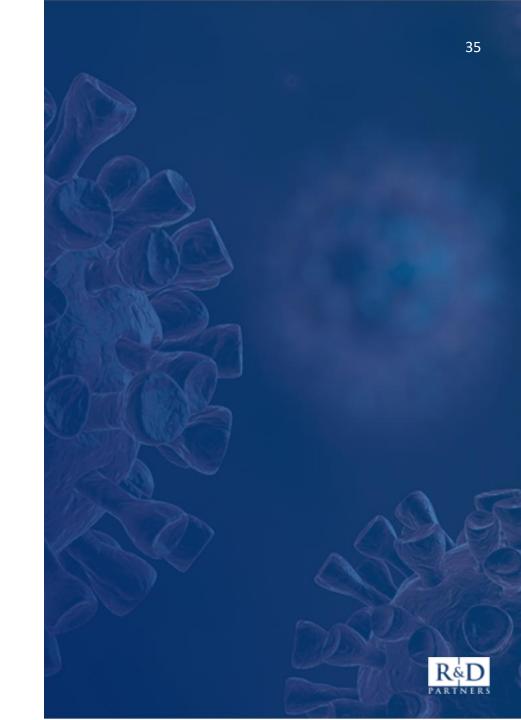


# Arts and Culture Resilience Supplement (BC Arts Council)

- A one-time grant of a maximum of \$15,000 for B.C. Arts Council's Operating Assistance clients and eligible project clients
- Organization can choose how to use the money
- Paid out in April
- Starting April 2020, the BC Arts Council will also provide operating clients with a 50% advance on 2020-2021 funding



### **Questions?**



## Thank You

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